

**Internal Revenue Service**Alcohol and Tobacco Tax Division  
Washington, D.C. 20224**Industry  
Circular**

Industry Circular 69-7

March 6, 1969

NOTICE OF EXTENSION OF TIME WITHIN WHICH TO REVISE LABELS TO CONFORM WITH AMENDMENTS CONTAINED IN TREASURY DECISION 6973 AND FOR THE RESUBMISSION OF PREVIOUSLY APPROVED LABELS AS PROVIDED IN INDUSTRY CIRCULAR 68-17.

Proprietors of Distilled Spirits Plants, Importers of Distilled Spirits, Wholesalers engaged in Relabeling Distilled Spirits and to others concerned.

The purpose of this Industry Circular is to advise you of the time you have in which to achieve compliance with the revised labeling requirements imposed by Treasury Decision 6973 and the corresponding change in time within which to resubmit previously approved labels for microfilming (as requested in Industry Circular 68-17) so that conforming changes may be made on labels prior to resubmission.

Background

I. Treasury Decision 6973, approved September 23, 1968, amended the distilled spirits labeling regulations (1) to require the appearance of certain information on brand labels other than brand name and class and type designations (e.g. alcoholic content, and net contents where container is not a standard of fill); (2) to prohibit the qualification of net contents statements on labels by means of adjectives such as "Giant Size", "King Size", "Full", etc. and (3) to require all mandatory information except the brand name to appear generally parallel to the base on which the container rests as it is designed to be displayed.

While these amendments will become effective on July 1, 1969, it was stated in the "Conclusion" relating thereto (see Subject No. 8) that "Bottlers will be granted a reasonable period of time to exhaust stocks of non-conforming labels".

- II. Industry Circular No. 68-17, which announced the Internal Revenue Service's decision to microfilm all of its label approval records, urged industry cooperation in a program of resubmitting (on revised application forms suitable for microfilming) all labels currently in use. This program was scheduled to be completed, as to distilled spirits, by July 1, 1969. In passing upon the labels currently in use which were resubmitted under this program, it appears that a large proportion of labels have not yet been revised to conform to T.D. 6973, described above, (especially as regards the showing of the proof statement on the brand label or other front, neck label or celloseal). Moreover, the volume of applications for label approval, under the reapproval program, have exceeded expectations to such an extent that it now appears that the July 1, 1969, completion date cannot be met.
- III. In some cases, labels which must conform to the design of decanter bottles, previously planned for use for the 1969 Christmas season, to a large extent, cannot be re-designed to conform with all of the labeling requirements made effective on July 1, 1969, by T.D. 6973, and thus warrant consideration in the same light as those referred to in I above.

### Conclusion

From the above, it is evident that the Government's interest, as well as the distilled spirits industry's interest, would best be served by an announcement now as to what will be considered to be a reasonable period of time to use up non-conforming labels. Accordingly, you are advised that:

- I. A "reasonable period of time to exhaust stocks of non-conforming labels" (contemplated by T.D. 6973) shall be a period of six months after July 1, 1969; unless on a case-by-case basis (pursuant to letter applications), a showing can be made by individual bottlers that such six-months' period is inadequate to achieve compliance by virtue of the fact that specific labels are for use on slow-moving items so that conformity would be impractical within that time. With this exception, all labels will be expected to be in conformity after December 31, 1969. Of course, the labels on which conforming changes are made must be covered by new certificates of label approval.
- II. With respect to distilled spirits labels covered by certificates of label approval issued prior to July 1, 1968, and currently in use, bottlers and relabelers of distilled spirits will be afforded an additional period of six months (until December 31, 1969) to resubmit their labels on new application forms so that the labels may be revised, as necessary to conform to the provisions of T.D. 6973, prior to resubmission in accordance with the procedure outlined in Industry Circular 68-17.

Since the old forms of certificates of label approval (those issued prior to July 1, 1968) will thus remain valid until December 31, 1969, as a result of this extension of time, applications covering previously approved labels which have been submitted in accordance with Industry Circular 68-17 and which have not been acted upon by this office will be returned to the applicants for correction where the labels fail to comply with T.D. 6973.



Harold A. Serr, Director  
Alcohol, Tobacco and Firearms Division